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Executive Registry

4-3673

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Houston

DATE: 20 July 1953

FROM : [REDACTED]

SUBJECT: Income Tax Interest Obligations on the Part of the Agency

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1. In answer to your memorandum dated 10 July 1953 in connection with [REDACTED] case, you asked if there were similar claims in the mill, both from [REDACTED] people and others, and also what, if any, steps have been, or are being taken, to file on time when they have a tax obligation.

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25X1 2. To our knowledge, there are no other similar claims from [REDACTED] people at the present time, although we think it is a reasonable certainty that they will develop as [REDACTED] are returned to Headquarters on PCS. There are no steps now being taken by this office "to see" that the [REDACTED] people file on time. The efforts of our offices have been patterned on the position that we should provide professional assistance in establishing a [REDACTED] upon request, and facilitating the filing of returns and payment of tax (without penalties) [REDACTED]

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25X1 [REDACTED] However, we have never felt it implicit in the Agency function to monitor the private tax conscience in cases where the Agency cannot withhold, even where the obligation exists. (The proposed [REDACTED] [REDACTED] would provide assurance that this obligation is met.) However, we did, as you will probably recall, draft a book message for all divisions and areas for issuance in the latter part of 1952. Due to the excessive cost in overhead and labor involved in sending this in book form, the cable secretariat suggested that its issuance, in whole or in part, be left to the foreign divisions concerned, and we approved a redraft for circulation to the various divisions for issuance on their own initiative. We do not know to which stations the message was finally sent--if at all.

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3. The filing [REDACTED] returns is generally handled in a normal overt manner with the [REDACTED] assuming their proper responsibilities. Liaison with our office occurs only when some problem has already arisen or when the flap potential is recognized in advance.

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Assistant General Counsel

OGC/CWP:blr (14 Jul 53)

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